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RECORD COTTON CROP ABROAD

IRELAND AND THE EEC

U.S. FOOD FOR CHINESE REFUGEES

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Chinese youngster sips glass of milk made from U.S. nonfat dry milk. See story on page 8 on how U.S. foods help feed Hong Kong's influx of Chinese refugees.

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DEPOSITED BY THE
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Foreign Free World Grows Record Cotton Crop

By VERNON L. HARNESS
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Foreign Agricultural Service

Cotton production in the Free World—excluding the United States—rose to 21.4 million bales (500 pounds gross weight) in the 1962-63 season, up 2.1 million bales or 11 percent from the previous record of 19.3 million a year ago. This sharp rise resulted from considerably larger acreage under government encouragement and from continuing opportunities to dispose of increased production at generally favorable prices. Yields have trended upward through the influence of improved planting seed and through more efficient cultural practices.

Total area devoted to cotton this season was estimated at 49.3 million acres, 1.1 million above 1961-62 and 3.1 million higher than the 1955-59 average. The record average yield of 209 pounds of lint per acre is attributable to generally excellent crop conditions in nearly all the foreign Free World producing countries. The only notable yield decreases from a year earlier were in Brazil, Sudan, and Iran, but these were more than offset by increases in Mexico, the Central American countries, Egypt, and Uganda.

Early reports indicate a probable further increase in cotton acreage in the foreign Free World in 1963-64, though the increase is expected to be smaller than in the past year. Exceptions include Mexico and Colombia, where modest acreage reductions are in prospect. Any further expansion in production normally would be expected to result from increased acreage, since a repetition of this season's generally excellent weather and record yields would be unusual. It is true, however, that production efficiency is improving in many countries, with some of the effects of unfavorable weather being reduced by more effective insect and disease control and by expansion of irrigation facilities.

It now seems likely that total area planted to cotton in *Mexico* in 1963-64 will be 5 to 10 percent below the current season. Production could be down more than acreage in lieu of continued critical water shortages in some areas along with some reduction in available credit to growers. Plantings in Laguna, Matamoros, and Sinaloa regions were delayed because of cold weather and irrigation water shortages. Recent rains relieved the water shortage to some extent, particularly in the nonirrigated areas. Estimates of the 1962-63 crop were revised upward as the season progressed, and the crop is now estimated at 2.4 million bales, nearly 0.4 million above a year earlier.

As a group, the Central American countries increased cotton production this season to 0.9 million bales, 30 percent more than a year earlier. Though *Guatemala* experienced the largest gains, the other countries also had excellent yields and acreage was considerably larger. There could be a further substantial rise in cotton production in Central America next season, chiefly as a result of favorable returns in the past 2 years. The expansion will likely come from larger acreage, as yields are already among the world's highest.

This season's harvest in *South Brazil,* which is now nearing completion, is estimated at 1.5 million bales, down 11 percent from last year because of untimely rains and heavier-than-usual insect infestation. Some recent reports indicate an even smaller 1962-63 crop. On the other hand, favorable growing conditions in *North Brazil* resulted in a large 1962-63 crop of 0.8 million bales. Conditions in the planting and early growing stages point to larger production in 1963-64.

Harvesting of this season's crop in *Argentina* is later than usual because of prolonged rains and an acute shortage of labor for picking the crop; rains damaged the quality of the unharvested crop. With the bulk of the Tanguis crop now harvested, this season's production in *Peru* is expected to be moderately larger than the 0.6 million bales grown in 1961-62. Considerable dissatisfaction with the domestic support price has been expressed in *Colombia,* and early reports indicate that acreage in the central zone could be down as much as 30 percent.

The 1963-64 cotton crop in *Egypt* is making satisfactory progress, though in upper Egypt it is 1 to 2 weeks late. Weather conditions have been favorable on the whole, water supplies are adequate, and insect attacks reportedly are well under control. It seems likely that acreage will equal or exceed the 1.7 million acres devoted to cotton in 1962-63, when farmers cut acreage because of the disappointing crop a year earlier. Little difficulty was incurred in disposing of this season's bumper crop of 2.1 million bales, mainly because of the larger share of Egypt's exports going to Communist Bloc countries.

Estimates of the size of the current *Sudanese* crop differ widely but center around a figure of 850,000 bales. Although this is considerably below the record 1961-62 crop of nearly 1.0 million bales, it exceeds average production during the 1955-59 period by 350,000 bales, or 70 percent. Except for Sudan, most countries producing cotton in Africa maintained or increased production in 1962-63.

Widespread rainfall has delayed plantings in *Syria* and *Turkey* and has made replanting necessary in some areas, but it should provide excellent soil moisture and more water for irrigation, and may induce Syria to increase its acreage. In 1962-63 Syria's larger acreage increased the crop to an alltime high of 1.1 million bales despite lower yields. Shortages of high-quality seed for replanting the 1963-64 crop in rain damaged areas have been reported in Turkey. Production in *Iran* could rise in 1963-64 if

yields should return to more normal levels after dropping substantially this season.

In Greece a rise of 15 to 20 percent in acreage is expected from the 1962-63 area of 511,000 acres. Most of the increase will be in raingrown areas where unfavorable weather prevented the planting of winter cereal crops. Inadequate rainfall and water for irrigation cut 1962-63 production in Greece to 400,000 bales, compared with 448,000 a year earlier.

In *India,* unusually high yields on moderately larger acreage resulted in an increase in the 1962-63 crop to 4.7 million bales. This is an increase from earlier estimates and is substantially above last season's figure of just over 4.0 million. Weather in Southern areas has been favorable for the new crop. Prospects improved as this season progressed in *Pakistan,* and 1962-63 production is now estimated at 1.6 million bales against 1.5 million in 1961-62. In both India and Pakistan, any increase in production next season appears to depend on continued above-average yields, because further significant expansion in acreage seems unlikely. Soil salinity continues to be a serious problem in parts of Pakistan.

Canada Updates Year-Old Butter Subsidy

A year ago—on May 1, 1962—the Canadian Government initiated a new butter program with the hope of halting the downward trend in butter consumption. The Agricultural Stabilization Board was authorized to lower its selling price of creamery butter from 64 cents per pound to 52 cents, with purchases from processors continuing at the previously announced 64-cent support level. The government thus established a 12-cent-per-pound consumer subsidy on butter with the intent that it be passed on to consumers in the form of a lower retail price.

After a year's operation of this two-price system for butter, the government recently announced that the program will be continued in the 1963-64 dairy marketing year, with some changes in its administration to alleviate certain problems that arose in the 1962-63 program.

Data for 1962 indicate that the new program increased domestic consumption of butter but did not substantially change the general surplus situation.

Canada's current butter surplus problem, much like that in the United States, is due to increased milk production at a time of declining per capita butter consumption.

During most of the 1950's, population growth was sufficient to offset reduced per capita consumption but in 1958, when the support price for butter was raised from 58 cents a pound to the 64-cent level, per capita consumption began to drop off. From 1958 to 1961, it declined at a rate in excess of population growth, causing total butter use to decline.

During this same period, except for a decline in 1960, butter production and stocks continued to increase. By 1961, production had reached 364 million pounds, and the difference between production and total utilization was 64 million pounds:

	Production	Total use	Difference
	Mil. lb.	*Mil. lb.*	*Mil. lb.*
1958	350	326	24
1959	339	316	23
1960	333	302	31
1961	364	300	64
1962	372	330	42

The increased production and resulting build-up of supplies prompted the government to introduce its two-price system for butter in 1962. During that year, both production and stocks reached their peak—372 million pounds and 263 million. However, mainly because of the program, stocks declined; and the gap between production and consumption narrowed.

Although the butter program met with some success, all of the 30-million-pound increase in butter use did not represent a net gain in domestic consumption of butter as such, since some of this butter was utilized in the manufacture of ice cream. Butter utilization in ice cream production totaled 9.5 million pounds in 1962, compared with about 4 million pounds in 1961. The "real" gain in domestic consumption of butter in the former year was thus 24 million pounds or 8 percent above 1961.

Under the 1963-64 program, the Agricultural Stabilization Board has authorized manufacturers of creamery butter to pay eligible producers 14.5 cents per pound on butterfat in milk and cream. Such producers, in this case, are milk and cream producers whose production is used for the manufacture of creamery butter and who do not supply any milk to the fluid market. The Board will reimburse manufacturers the 14.5 cents, which represents 12 cents per pound of butter. This new method of making payment should help alleviate the problem of encouraging butter production, which resulted under the 1962-63 program.

Also, butter made from surplus milk delivered by fluid milk producers will be supported at 52 cents rather than 64 cents per pound. Such a differentiation in price should tend to hold surplus supplies in the fluid market at a minimum.

Changes were also made in the 1963-64 Cheddar cheese program which would tend to increase utilization of butterfat in that product. The Stabilization Board will continue to purchase Cheddar cheese for 32.5 cents per pound. Cheese manufacturers will also make a payment of 30 cents a hundredweight—a 5-cent increase over that made in 1962-63—on milk received from producers whose production is used for Cheddar cheese manufacture and who do not supply any milk to the fluid market.

—Norman R. Kallemeyn
Dairy and Poultry Division
Foreign Agricultural Service

Right, sheep are second to cattle in Ireland's farm economy. Below, cattle pose for picture after winning prizes at big Irish livestock show. Country is making great efforts to improve both cattle and pasturelands.

What EEC Membership Would Mean to Ireland

By C. S. STEPHANIDES
U.S. Agricultural Attaché, Dublin

Not since Ireland gained its independence has there been so strong and unanimous a feeling on any matter of national importance as there is today with regard to Ireland's joining the European Economic Community. Already the country's economists have figured that, if and when Ireland joins the Community and starts exporting to the member countries its agricultural products, the value of these products would be increased by at least $84 million. Almost $48 million would come from the increased value of agricultural food exports, and about $38 million from higher prices for farm products consumed within the country.

Reportedly Ireland's agriculture accounts for $34 million of the nation's assets and contributes almost a quarter of the total national income. Agriculture also represents about 60 percent of the country's visible exports as well as providing employment to more than 35 percent of the population. Moreover, in the last 10 years output per worker on the farms has increased 50 percent as against 25 percent in industry—the result, of course, of greater capital investment in agriculture.

Ireland, on the average, exports about one-third of its agricultural production, which adds up to more than 60 percent of its total annual exports. More than 80 percent of these go to Great Britain and Northern Island, where they compete with imports from countries with high subsidies. Consequently, Irish exports of butter, cheese, and bacon are strongly subsidized in order to maintain their share of the United Kingdom market. Furthermore, the Irish producer does not benefit from the deficiency payments made by the British Government on Irish store cattle fattened in that country; instead he gets a guaranteed price that is about $.50 less per hundredweight than the price paid for British homebred cattle.

There are, of course, those who advocate that because most of Ireland's trade is with the United Kingdom, it should wait until Britain becomes a member, at which time it would follow with its bid for membership. Some Irish farm organizations feel differently. They claim that the quota system imposed by Britain on most Irish agricultural products does not provide marketing security; that often quotas are imposed at short notice which makes it difficult to shift quickly to a new market. Because of these difficulties, they suggest that Ireland should not wait but should apply for membership now.

Much to gain

Although at present only small quantities of livestock, meat, and dairy products are exported to the six EEC countries (1961 exports were only 6.7 percent of the total), the Irish see a great potential there for beef and dairy products. Because of these expectations, the Irish

Government has sent several teams to the Common Market countries to study production methods and costs, marketing systems, and price support schemes for commodities similar to those produced in Ireland. Their reports, for the most part, conclude that Ireland will have much to gain by joining the Community.

Being a member of the EEC would broaden the market for Irish agricultural exports, eliminating dependence on one or two. It would reduce the keen competition that Irish products face in United Kingdom markets from similar products from Argentina, Yugoslavia, Australia, and New Zealand. It would provide market security permitting the Irish producer to plan his production goals. Also, it would eliminate government subsidies and lead to the improvement in production and marketing methods, now in need of extensive study and reorganization.

IRELAND'S 1961 AGRICULTURAL EXPORTS, BY VALUE AND PERCENTAGE

Destination	Value	Percentage of total
	1,000 dol.	*Percent*
Great Britain	211,305	67
Northern Ireland	42,000	14
United States	29,557	10
EEC countries	20,714	7
Other countries	10,324	3

Currently, most of Ireland's agricultural exports to the EEC go to West Germany, Belgium, and Italy and are almost entirely livestock. They are restricted by heavy import duties and a number of other measures that the EEC countries are adopting. Thus it has been extremely difficult to export to these countries, with the result that Ireland buys more from them than it sells them. Yet the following table giving the comparative prices of leading agricultural products in the EEC countries and Ireland indictates that Irish products have enjoyed a favorable competitive position:

COMPARATIVE PRICES OF LEADING AGRICULTURAL PRODUCTS IN EEC AND IRELAND, 1959-60

Countries	Wheat	Barley	Cattle	Pigs	Eggs	Milk
	Dol. cwt.	*Dol. cwt.*	*Dol. cwt.*[1]	*Dol. cwt.*[1]	*Dol. doz.*	*Dol. gal.*
Belgium	4.76	3.78	21.70	4.41	0.48	0.28
France	3.92	3.36	19.55	—	0.42	—
Germany, West	5.14	4.48	23.66	5.14	0.48	0.37
Italy	5.32	—	26.39	5.07	0.53	0.34
Netherlands	4.06	3.43	—	3.95	0.34	0.34
Ireland	4.20	2.59	18.01	4.34	0.42	0.24

[1] Liveweight.

Benefits offset any losses

Certain sectors of Ireland's agriculture would gain more than others from the country's membership in the Community. It is expected that milk and dry cattle prices would improve. Wheat prices would continue to decline but barley prices would benefit, and eventually barley would replace wheat as barley storage facilities improve. Pork production would probably maintain itself, and as pork prices rose the need for subsidies—which have been increasing each year—would be eliminated. Also, the higher price of eggs in the EEC countries would stimulate increased Irish production through better production methods.

Cattle and milk would certainly benefit the most—and these make up the bulk of Irish farm exports. As a rule, cattle, dairy products, and sheep represent half the value of total Irish agricultural output. The prospects for expansion of all three are good; and even though some of the country's agricultural products might suffer, the benefits gained from these would more than offset any losses incurred.

As members of the Common Market the Irish visualize their position as this: Their beef would be classed among the best beef in Europe. Free internal trade in cattle would exist with neither tariffs nor quotas. Cattle prices would rise, and the better quality of Irish cattle would command a higher price than the present prices offered on the United Kingdom market. It is quite possible that the Common Market countries, with their greater purchasing power, would replace the United Kingdom as the principal market for Irish cattle and beef.

Currently, Irish beef is well able to compete with that produced in the Common Market countries. The price of Ireland's best beef cattle is about 27 percent lower than the average price in the EEC. However, transportation costs average about $28.00 per live animal between Dublin and Hamburg. It is expected, though, that should Ireland become a Community member, the costs of shipping and marketing will be studied with a view to reducing them substantially.

Trade with the U.S.

The final question is, what effect, if any, would Ireland's EEC membership have on its trade with the United States?

Irish exports to the United States have been increasing faster than they have to other countries. From 1958 to 1962, total Irish exports increased by one-third, but its exports to the United States almost doubled, going from $20.7 million to $38.9 million.

Frozen meat makes up the bulk of the exports—around $26 million in 1961 and $25 million last year. These exports—beef and pork mainly—would probably be reduced as shipments to the Market countries increase. But sugar exports would continue because of the U.S. sugar quota.

Ireland has been a good market for some U.S. agricultural products. In 1962 Ireland's imports of U.S. tobacco amounted to $12.9 million, corn $10.1 million, cotton $1.7 million, soybean meal $1.1 million, canned fruit $1.1 million, and wheat $800,000. With the exception of wheat, all of these are expected to maintain their present level or increase. Tobacco will continue to mount, soybean meal will more than double in the next 5 years, and corn will stay at about where it is now.

Thus, it can be said that while Irish membership in the EEC would lower its farm exports to the United States, the country would continue as a good market for U.S. farm products and in time prove to be a better one.

U.S. Hides & Skins Promotion Program Successful in Japan; Extended 2 Years

The overseas promotional program of the U.S. hides and skins industry—begun in Japan in 1960—has proved so successful that it has been extended for 2 more years. Since the program's initiation, U.S. hide exports to Japan have more than doubled in value. And Western hide producers—operating at a competitive disadvantage in the U.S. market because of transportation costs to Eastern tanneries—now have a good market for their hides in Japan.

Cooperators with the Foreign Agricultural Service in the program continue to be the Western Meat Packers Association in the United States, and the All Japan Leather Association.

Leather promotion in Japan traces its development to a Japanese trade mission to the United States in 1958 which had expressed an interest in starting a leather promotion program with U.S. assistance. The following year the USDA conducted a market study in Japan. Though Japan is a traditional importer of hides and skins, the study revealed per capita utilization of shoes and leather goods was considerably below that of countries with comparable levels of living. The program was officially launched in September 1960 at the annual Leather Mode Show in Tokyo.

Promotion carries out two basic themes: the beauty and prestige value of leather, and the utility of "genuine" leather products. A wide array of leather products are promoted: shoes, handbags and pocketbooks, travel luggage, leather garments, belts, gloves, and athletic equipment.

Nearly half of the promotion budget goes for newspaper and magazine advertising. Slogans such as "Luxury Starts With Leather" stimulate consumer interest in leather products. Carcards, strategically placed in subways and railways in Tokyo and Osaka, are seen by some 2 million Japanese commuters each day.

Radio, television, and motion picture advertising also reaches a large number of consumers. Last year a minute-long slide show promoting men's shoes was presented in 13 theatres. Point-of-sale advertising is used mainly during "Leather Weeks," given at leading department stores in Tokyo and Osaka. These exhibitions include fashion shows, displays of leather innovations, and publications on the history of the Japanese leather industry.

Year-round leather promotion in Japan reaches a highpoint at the annual Leather Mode Show held in September. Combining top entertainment and leather fashions, the show features the latest in leather manufactures for autumn and winter wear. Invited to attend are representatives of consumer groups and the leather industry, Japanese Government officials, and wholesalers and retailers.

Accompanying leather market development efforts in Japan has been record prosperity for Japan's leather industry. Over 40 million pairs of shoes were produced in 1962, a hundred percent increase over output in the early 1950's. The projected 1963 production is 45 million.

Meanwhile, U.S. hides and skins have been moving in bigger volume to Japanese tanners. Last year U.S. raw hides accounted for nearly 73 percent of total Japanese hide imports, compared with only 50 percent in 1959. Today Japan represents a growing $27 million market—holding No. 1 position as an importer of U.S. hides and skins.

Australia—chief U.S. competitor for hides in Japan—has also upped its share of the market (from 14 percent in 1961 to 18 in 1962), mainly because of a slight price advantage of Australian "light" hides over the U.S. product. The big demand in Japan, however, will continue to be for "heavy" hides for shoes, the kind the U.S. can supply in large quantities.

The Japanese business has had a dramatic impact on hide and livestock prices within the United States. Before the leather promotion, producers on the West Coast and in the intermountain area got about 15 percent less for hides than those in the Eastern half of the country. Reason was the great distance hides had to go to reach the Midwest and Northeast, centers of the U.S. tanning industry.

Now that U.S. hides are in demand in Japan, Western hide prices to producers are equal to, sometimes above, those in the rest of the United States. Cattle prices too have gone up—as much as $3 per head.

Europe's 1964 Fashions For Men Feature Cotton

A preview of "10-E Cotton Casuals," a new all-cotton line of men's spring and summer sportswear, has just been held at Noordwijk, the Netherlands, for members of the International Fashion Council. The collection will be introduced to the entire men's wholesale clothing trade in August during the Cologne Men's Fashion Week.

Ten of Europe's top men's wear designers were commissioned to create the collection by the International Fashion Council, an association of 30 men's wear manufacturers, and the Cotton Council International. It is expected to greatly influence styles of men's sportswear in Europe and encourage the use of cotton by Europe's fast-growing men's clothing industry.

Retail and consumer promotion begins in the spring of 1964 when the new styles become available to the consumer. The Cotton Council and its 13 European cooperators in as many countries will advertise extensively. The International Fashion Council is also building its 1964 spring-summer promotion on "10-E."

Above, Chinese refugee children in Hong Kong eagerly await their morning milk. Right, on a trip to the area in 1961 Secretary of Agriculture Freeman gave out CARE parcels.

How Our Agricultural Abundance Is Helping the Chinese Refugee

The British Crown Colony of Hong Kong lies on a scattering of islands and the tip of a peninsula to the east of the Pearl River estuary in South China. Famed for its physical beauty and the free port status which makes it an unparalleled shopping center, Hong Kong is the end of the road for the majority of escapees from Chinese Communist tyranny—a vital fact often overlooked by the casual visitor. Yet this small rocky headland and fringe of islands, only about four times the size of the District of Columbia, is just that.

The population figures for Hong Kong tell the story. In 1956, the Colony contained about 2.5 million people. At the end of 1962, the population was slightly over 3.5 million. Last year was especially difficult as the number of refugees totaled nearly 150,000 and natural growth added another 92,000 persons.

The integration of refugees into the social and economic life of Hong Kong poses formidable problems. Outside of its location advantage as one of the world's great ports, the Colony has few natural resources. That Hong Kong has coped with vast numbers of incomers is a tribute to its social resources.

The first of these is the people, who have a willingness to work and a drive to better themselves. The second is a long commercial tradition and a sizable and seasoned business community. The third, and most important, has been the stable political and social environment provided by British administration and the responsibility, fully accepted by the government, of providing at least minimum standards of housing, education, health, and welfare services. As an example, the past year's budget of the Colony was $215 million, of which $128 million was programmed for nonrecurrent public works and social services.

Yet, within this framework of favorable factors, the population increase is great, the problems of adjustment difficult, and the need for individual welfare assistance persistent. Here, then, America's agricultural abundance has a useful role to play.

The United States' food donation program in Hong Kong is under the authority of Title III, Public Law 480, and is operated by the Agency for International Development. This law authorizes the U.S. Department of Agriture to donate foods to recognized welfare organizations of either a secular or religious nature. In Hong Kong, distribution of this food is entirely handled by the local offices of Church World Service, CARE, Catholic Relief-National Catholic Welfare Conference, Lutheran World Federation, and Seventh-Day Adventist Welfare Service.

Since the start of this program in 1954 and through June 30, 1962, the food donated to the voluntary agencies totaled $30.2 million at Commodity Credit Corporation valuation. In 1962, the voluntary agencies distributed 12.7 million pounds of wheat flour, 3.4 million pounds of corn meal, 3.8 million pounds of milk powder, 8.4 million pounds of rice, 5.0 million pounds of bulgur wheat, and 3.6 million pounds of vegetable oils.

The distribution of these foods is made in a variety of ways and forms. A portion is used in institutional feeding, such as hospitals, orphanages, and school lunches. Another channel is direct distribution for supplemental feeding of the very poor. Here the commodity is given as such or processed into bread, noodles, or milk. Another important welfare purpose is served by emergency provision of food or of meals after disasters, such as fires or typhoons.

However, there are certain problems with food donations. Basic food habits and preferences play an important role. The Chinese in Hong Kong prefers rice. He has little familiarity with wheat flour, bulgur wheat, corn meal—and none with milk powder. Moreover, outside of his preference for rice, he has little knowledge of how to prepare wheat or corn products, and the very poor

Right and below, refugees carry home U.S. flour and other foods from Lutheran World Service Distribution Center, in Kowloon. Most U.S. donated food is given out by recognized welfare organizations, though some is used in institutional feeding.

often do not have kitchen utensils or facilities for the preparation of donated foods. Because of these considerations, the long-term program of the voluntary agencies has been to place emphasis on conversion of the commodity before it is distributed.

Institutional feeding, especially school lunches and supplementary school feeding, is receiving greater attention. Milk bars in resettlement estates furnish milk and crackers to children. Wheat flour, corn meal, and milk powder are converted to noodles and bread before passing from the voluntary agency into the recipient's hands. Bulgur wheat is processed under U.S. Government auspices before being received by the agency and can, therefore, be prepared by the recipient in ways similar to rice.

Thus it is that the U.S. farmer—the mid-western corn and soybean farmer, the western wheat producer, the southern rice grower, the New England dairyman—produces an abundance for the American people to utilize in assisting the Chinese refugees from Communism.

China's Communist Government, with an implacable hostility for the United States, carries on a "hate America" campaign while, at the same time, its agricultural failures and exploitation of the peasantry drives people from the Mainland. But, through the fortune of agricultural abundance and its traditional concern for desperate and hungry people, the United States makes its reply. It is a reply the Chinese people — both in Hong Kong and, through letters and word of mouth, on the Mainland—do not fail to hear.

—BRICE K. MEEKER

Flour, corn meal and milk are often converted to noodles and bread before distribution. Here cooks are rolling out a batch of Chinese-style doughnuts.

Talks With Common Market on Poultry

Negotiations began on June 25 in Geneva between the United States and the European Economic Community on the Community's actions affecting imports of poultry from the United States.

The United States requested the negotiations after the recent decision by the EEC Council to raise import charges on U. S. poultry. The United States acted under the terms of a so-called standstill agreement signed with the EEC at the conclusion of the last round of tariff negotiations, which provides for further negotiations on the situation of U.S. exports of poultry.

Swedish Dairy Situation

Milk production in Sweden has been declining for some time and was again at a lower level in the first quarter of 1963 than in the corresponding quarter of 1962.

This smaller milk production was reflected in the reduced output of butter, which, at 37 million pounds, was down 8 percent from a year earlier.

Exports of butter declined from 8 million pounds to 5 million. West Germany took 2 million pounds, Italy and Austria, one million each, and the United Kingdom, Switzerland, and Morocco most of the remainder.

Cheese was the only other dairy product exported in any sizable quantity in this period. Shipments totaled 3 million pounds, the same as last year and went largely to traditional markets: West Germany and Italy, 1 million pounds each, and the United States, 73,000 pounds.

Denmark Increases Domestic Poultry Prices

In line with a program adopted last fall to provide farmers with higher incomes, Denmark as of June 10 increased domestic poultry prices. This program, called the Home Market Price Scheme, includes an automatic increase in the price of poultry meat sold domestically when export market conditions force a price decline below the target price, as had occurred in recent weeks. The target price for broilers was 42 cents per kilogram, plus a 16-cent levy paid by consumers on every kilogram sold domestically.

As a result of competition in the international poultry market, export prices of Danish poultry during recent weeks declined from 42 cents to about 39 cents per kilogram, New York dressed basis. Consequently, prices paid to producers were established at 39 cents per kilogram after June 10. The lowering of the target price brought about an increase in the levy on poultry meat sold domestically from 16 cents prior to June 10, to 19½ cents per kilogram after June 10.

Cocoa Producers Alliance Meets

The Cocoa Producers Alliance (major producers Ghana, Nigeria, Brazil, Ivory Coast, and Cameroon) in late May reviewed world trends in cocoa production, consumption, and prices; adopted measures to improve cooperation in marketing and to strengthen the Alliance; and discussed main issues of the International Cocoa Agreement draft. The Alliance will meet again just before the opening of the U.N. Negotiating Conference, probably in September.

Uganda's Coffee Earnings Up

Uganda's exports of coffee in 1962 were valued at £20.2 million ($ U.S. 56.5 million) up by £6.2 million ($ U.S. 17.36 million) over the previous year. The 1962 receipts reflect higher prices for Robusta coffee, as well as increased sales.

The United States annually buys about half of Uganda's coffee. Owing to the increased share of coffee in Uganda's 1962 exports, the United States was, by a wide margin, the leading importer, taking slightly over £10 million ($ U.S. 28 million), or 27 percent of all exports in 1962. Coffee accounted for about 97 percent of these purchases.

Record U.S. Wheat/Flour Exports in April

U.S. wheat and flour exports (grain equivalent) at 77 million bushels were 3.7 million larger than the previous record made in October 1961.

Exports of wheat and flour (in grain equivalent) from July 1962 through April 1963 totaled 501 million bushels, compared with 594 million during the same months a year earlier.

See story in detail and table showing wheat and flour exports by country of destination during July-April 1961-62 and July-April 1962-63 in the June issue of *World Agricultural Production and Trade Statistical Report.*

Australia Sells Communist China More Wheat

The Australian Wheat Board recently sold 50 million bushels of wheat to Red China, which will take care of Australia's export surplus remaining from its 1962 crop. Terms are reportedly the same as for the previous contract; namely, 10 percent cash at shipment, 20 percent in 6 months, 20 percent in 9 months, and 50 percent at the end of 1 year.

The Board has contracted to deliver about 3.2 million tons (118 million bushels) of wheat to Red China during calendar 1963. This about equals shipments to all destinations during 1960—the last year before credit sales to Communist China were begun. Average wheat exports for the 5-year period 1956-60 amounted to 2.6 million tons (96 million bushels).

The Board decided to make these large sales to Red China because of the record 1962 wheat crop and the stiff competition in the European Market. By late December 1962, 50 million bushels had been sold. This

quantity plus additional amounts sold previously total about 1.9 million tons (70 million bushels) for shipments January-June 1963.

El Salvador Increases Wheat Flour Taxes

The National Assembly of El Salvador has increased the taxes on all flour, both imported and domestic, in an attempt to recoup the losses it suffered when duty-free wheat started to enter that country in place of flour, which carried an import duty. The new taxes will reportedly continue to give the local flour mills the same comparative advantages they had under the old rates.

Although nothing has been published officially, the new taxes and duties seem to line up as follows: A new internal tax on all flour of 3.75 ($1.50) per 100 kilograms, to be collected at the port of entry; an increase in the duty on imported flour from the old rate of $4.60 per 100 kilograms plus 6 percent ad valorem to a new rate of $5.00 per 100 kilograms plus 6 percent ad valorem; and a new import duty on wheat of $0.50 per 100 kilograms. (Wheat was previously imported free.)

Last year, the United States shipped only 27,700 bags of wheat flour to El Salvador; compared with shipments in 1958-59 (before two new mills were constructed and the country began protecting its domestic flour industry) of 360,000 bags.

U.S. Feed Grain Exports Still High

U.S. feed grain exports for July-April 1962-63 were 9 percent above those in the corresponding months of 1961-62. Shipments totaled 11.9 million metric tons, compared with 10.9 million for the previous year. Corn and sorghum were the principal grains exported.

A table showing exports to principal countries and a detailed story will be published in the *World Agricultural Production and Trade Statistical Report* for June.

West Berlin's Cigarette Output Up

Cigarette output in West Berlin continued upward through 1962. Production last year totaled 27.0 billion pieces, compared with 23.8 billion in 1961 and 19.8 billion in 1960. It accounted for 31.6 percent of total German output, compared with 29.9 percent in 1961 and 27.5 percent in 1960.

West Berlin's shipments of cigarettes to West Germany last year amounted to 24.6 billion pieces, compared with 21.1 billion in 1961 and 17.8 billion in 1960. In turn, West Germany's shipments to West Berlin during 1962 totaled 1.6 billion pieces, 1961—1.4 billion and 1960—1.8 billion. Total cigarette supplies available for consumption in West Berlin during the last 3 years amounted to 4.1, 4.1, and 3.9 billion pieces, respectively.

German cigarette output last year (West Germany plus West Berlin) totaled 85.5 billion pieces, compared with 79.6 billion in 1961 and 72.0 billion in 1960. The quantity of leaf used to make 1,000 pieces of cigarettes declined slightly and amounted to 2.25 pounds, compared with 2.33 pounds in 1961 and 2.32 pounds in 1960.

Cigarette sales continued to rise in West Germany (including West Berlin) and amounted to 83.3 billion pieces in 1962, compared with 78.0 billion for the previous year. A further gain of slightly over 4 percent is forecast for 1963.

Sales of filter-tipped cigarettes also continued to rise, accounting for 75.9 percent of total cigarette sales last year, compared with 72.8 percent in 1961 and 67.8 percent in 1960. However, their gain was smaller in 1962 than in 1961. Blended cigarettes (both flavored and unsweetened) continued to be the most popular type, accounting for almost 90 percent of total sales. Straight oriental, straight Virginia, and French-type (dark) cigarettes are now reportedly considered specialities with only regional sales potentials and with each accounting for no more than 3-4 percent of total sales.

The total number of cigarette brands offered to the public dropped from about 225 at the end of 1961 to about 200 at the close of 1962. This decline was attributed to increased sales through vending machines which accounted for almost 40 percent of total sales last year. The three most popular brands continued to be "HB Filter," "Ernte 23," and "Peter Stuyvesant," which together accounted for 52 percent of total sales last year, compared with 50 percent in 1961. Six additional brands accounted for 21 percent of total sales last year.

French Output of Tobacco Products Rises

Output of tobacco products by the French Tobacco Monopoly in 1962, at 155.4 million pounds, was 4 percent greater than in 1961. All products, except cut tobacco and snuff, recorded increases.

Production of cigarettes in 1962 totaled 110.9 million pounds, compared with 104.2 million in 1961—a gain of 6.4 percent. Output of cut tobacco, for pipe smoking and "roll-your-own" cigarettes, amounted to 39.9 million, compared with 40.7 million in 1961. Output of cigars and cigarillos increased from 2.9 million pounds in 1961 to 3.2 million in 1962.

TOBACCO PRODUCTS: FRANCE, OUTPUT BY KINDS, 1960-62

Product	1960	1961	1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Cigarettes	98,462	104,192	110,929
Cut tobacco	38,669	40,701	39,919
Cigars	2,215	2,099	2,379
Cigarillos	701	772	774
Chewing	860	734	736
Snuff	891	908	705
Total	141,798	149,406	155,442

S.E.I.T.A.

U.S. Tobacco Imports, First Quarter

U.S. imports of tobacco for consumption totaled 42.5 million pounds in January-March 1963—down 2.7 percent from those of January-March 1962.

Cigarette leaf imports, consisting almost entirely of ori-

ental tobaccos, totaled 31.7 million in the first quarter of 1963, compared with 32.0 million last year. The scrap total was 9.0 million, compared with 8.7 million in the first quarter of 1962. Cigar filler (stemmed and unstemmed) amounted to 1.7 million, compared with 2.6 million a year ago.

Imports for consumption of Cuban cigar filler and scrap tobaccos continue to be made as withdrawals from warehouse stocks which arrived prior to the embargo of February 1962. Scrap tobaccos from Colombia and the Dominican Republic has shown steady increases.

TOBACCO, UNMANUFACTURED: U.S. IMPORTS FOR CONSUMPTION,[1] JANUARY-MARCH 1961-63

Commodity and Origin	January-March 1961	1962	1963
	Million pounds	*Million pounds*	*Million pounds*
Cigarette leaf:			
Turkey	19,442	19,799	20,768
Greece	8,121	8,666	7,346
Yugoslavia	1,489	1,806	2,192
Other[2]	1,390	1,728	1,345
Total	30,442	31,999	31,651
Cigar wrapper	159	199	151
Cigar filler:			
Cuba	2,540	2,106	752
Philippines	—	—	286
Colombia	33	254	203
Other	127	273	432
Total	2,700	2,633	1,673
Scrap:			
Cuba	3,602	2,853	1,158
Philippines	3,957	3,605	4,392
Colombia	156	748	1,251
Dominican Republic	—	756	1,019
Other	753	736	1,136
Total	8,468	8,698	8,956
Stems	82	135	67
Grand total	41,851	43,664	42,498

[1] Includes withdrawals from bond and releases from customs immediately upon arrival. [2] Largely Italy, Cyprus, Syria, and Lebanon.

Morocco's Almond Harvest Average

Morocco's 1963 almond harvest is forecast at 3,300 short tons, shelled basis—an increase of 1,100 tons over the 1962 crop. Average 1956-60 production was 3,200 tons.

Smaller 1963 Brazil Nut Harvest Expected

The 1963 Brazil nut harvest is now estimated at 34,000 short tons, unshelled basis—a 10,000-ton reduction from an earlier report. The 1962 harvest estimate has been revised upward to 38,000 tons. A record was set in 1961 when 55,000 tons of Brazil nuts were harvested. At the beginning of the 1963 season, all signs indicated that the crop would be a good one; tree blossoming, weather, and high water levels of the streams were all favorable.

It has been reported that pickers have begun to stop their gathering activities, resulting in a smaller estimate of the 1963 Brazil nut harvest.

The Associacao Rural Costanheiros do Para (Rural Association of the Brazil Nut Producers of Para) are reported to have requested financial assistance from the Banco de Credito de Amazonia S.A. (Amazon Credit Bank).

In late May 1963, the f.o.b. prices of Brazil nuts in Belem were reported as follows, with early January 1963 prices in parentheses (cents per pound): unshelled 8.5, (11.0); dehydrated 13.5, (16.0); shelled 35, (45).

It was reported that through the latter part of May only 2,500 tons of the 1963 harvest had been exported and that a large part of the present stocks already in the processing plants will be held awaiting an improvement of the price situation.

Brazil nut exports in 1962—20,611 tons unshelled and 4,776 tons shelled—were considerably below the record level of 1961, when 33,118 tons unshelled and 6,843 tons shelled were exported.

BRAZIL'S EXPORTS OF BRAZIL NUTS

Destination	Shelled 1961	Shelled 1962	Unshelled 1961	Unshelled 1962
	Short tons	*Short tons*	*Short tons*	*Short tons*
Argentina	5	3	1,173	11
Australia	36	44	5	—
Canada	319	153	660	549
Germany, West	108	56	6,594	4,283
United Kingdom	1,800	1,499	14,642	8,516
United States	4,567	3,009	9,758	7,194
Others	8	12	286	58
Total	6,843	4,776	33,118	20,611

BRAZIL NUT PRODUCTION

Region	1962	Estimated 1963
	Short tons	*Short tons*
Brazil:		
State of Para	15,000	17,500
Lower Amazon	1,000	500
State of Amazon	13,500	12,000
Acre	4,300	4,000
Boliva	4,200	—
Total	38,000	34,000

Large Spanish Almond Harvest Predicted

The 1963 Spanish almond harvest is forecast at 33,000 short tons, shelled basis. This is considerably above the 1962 crop which has been revised downward, as has the 1961 estimate. Average 1956-60 production was 27,600 tons.

SPAIN'S SUPPLY AND DISTRIBUTION OF ALMONDS, (SHELLED BASIS)

Item	1961	Preliminary 1962	Forecast 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks, Sept. 1	6,000	2,000	1,000
Production	35,000	18,000	33,000
Total Supply	41,000	20,000	33,000
Exports	32,800	14,000	22,000
Domestic disappearance	6,200	5,000	9,000
Ending stocks, Aug. 31	2,000	1,000	3,000
Total distribution	41,000	20,000	34,000

Spanish almond exports for the first 8 months (September 1-May 1) of the 1962-63 season amounted to

about 12,500 short tons, shelled basis, and total shipments may reach 14,000 tons. (Spain's almond exports in the 1961-62 season totaled 32,800 tons.)

Around the first of June 1963, unselected Valencia almonds were quoted at about 68.3 cents per pound, f.o.b. Spanish port—down about 3.9 cents from early February.

Canadian Hogs Too Fat

A semiannual hog survey, conducted by the Canadian Department of Agriculture, shows that 84 percent of all Grade B hogs were unable to make the A Grade because they were too fat. A year ago, this figure was 83 percent.

Hogs in western Canada were not as fat or over-finished as hogs in eastern Canada. There, 78 percent of the Grade B hogs failed to make Grade A because of over-finish, compared with 87 percent for eastern Canada.

Another important factor was carcass weight; about 28 percent of all B grade hogs could not make the A grade because they were slightly over or under the required dressed weight range of 135-170 pounds. Some were also downgraded for being too fat.

France Announces Purchase Levels for Beef

The French Government Price Support Agency (SIBEV) has announced its purchase prices for beef to support the market at previously announced levels. The following prices are based on carcasses or halves on cold storage stocks, excluding taxes:

	Grade or type	Cents per pound	
		Minimum	Maximum
		Cents	*Cents*
Steer beef	A	37	40
	B	34	39
Cow beef	A	35	39
	B	31	36
Forequarter	10 ribs	—	27
	6 ribs	—	24
Rear quarter	All	49	

Beef prices at present are well above the maximum price which SIBEV will pay. Therefore, it is doubtful that the organization will be forced to make any important purchases of beef to support the market until late June, when support prices are due to be increased.

Because of present high beef prices, SIBEV has authorized imports of beef since May 9. Trade reports indicate that some carcass beef imports have been made from the Netherlands.

Venezuela Expands Livestock Industry

The Inter-American Development Bank recently granted a $6 million loan to the Agricultural and Cattle Bank of Venezuela to import breeding stock—hogs and dairy and beef cattle. The Agricultural and Cattle Bank expects to issue total credits of $63 million in 1963 to improve the agricultural and livestock industries.

In addition, a Venezuelan Development Corporation's study considers profitable a slaughterhouse for hogs and cattle in Maracaibo, and the Corporation is encouraging producers in that region to invest cooperatively with the government in the project.

Oceania To Balance Meat Exports to U.S.

The Australian and New Zealand Meat Boards have taken preliminary steps to coordinate beef and lamb exports to North American markets in an effort to balance shipments with production in the United States. Their major aim is to prevent an overlapping of exports, which in the past, reportedly depressed U.S. markets and caused concern among American meat producers.

Ireland Setting Up Meat Packing Plants

Ireland's Minister of Health and Local Government reported that six meat processing and packing firms have or are planning to construct facilities in Northern Ireland. One of the six began operations the latter part of March, one expects to be in operation by mid-July, and two will begin building soon. Negotiations are still going on for the remaining two firms.

The Minister also reported that another meat packing firm of London is interested in opening a factory in the Neury Oreo, County Down and is proceeding with negotiations.

Chile Takes Steps To Increase Cattle Numbers

In a government decree of April 23, the Chilean Ministry of Economy prohibited the slaughter of cattle with live weight of less than 551 pounds, the exception being cattle that have congenity deformations or physical defects. In these exceptions, the Veterinary of the Ministry of Agriculture must extend a certificate authorizing the slaughter.

This measure was taken to eliminate slaughter of young productive stock and therefore increase cattle numbers, at present 2.9 million head.

South African Sunflowerseed Production Down

The 1962-63 South African sunflowerseed crop, harvested largely in April, is estimated at 88,600 short tons—down one-sixth from last year but up 12 percent from the 1955-59 average of 79,400 tons.

Crop year beginning May 1	Planted Area	Production
	Acres	*Short tons*
1958-59	480,400	110,400
1959-60	438,100	99,950
1960-61	482,500	123,720
1961-62	444,400	106,400
1962-63	476,200	88,600

The decline in the current year's harvest was due to a drought, followed by heavy rains which caused flooding during January. The bulk of the crop is domestically consumed, with exports in recent years having accounted for less than one-fifth of the production.

Angola's Fish Meal and Oil Exports Down

Angola's exports of fish meal in 1962, at 35,926 short tons, were 35 percent below the 55,489 tons shipped in 1961. The principal countries of destination, with 1961 figures in parenthesis, were: Italy, 16,954 tons (18,146); Western Germany, 9,271 (15,115); Portugal, 2,644

(4,264); and Poland, 1,893 (546).

Angola exported 2,927 tons of fish oil in 1962, compared with 3,308 tons in the previous year—a decline of 12 percent. As in prior years, the bulk of fish oil exports from Angola went to Western Germany.

Burma's Sesame Production May Be Down

The late beginning of the monsoon season in 1963 is likely to have an unfavorable effect on the production of Burma's major commodities, including sesame (*Foreign Agriculture,* June 17, 1963). For the second time in 6 years the rains are late, and rainfall in the Rangoon area is about 60 percent below the average for the corresponding period during the last 10 years.

Production of sesame seed in 1957-58 (late monsoon period) was over one-third below the 1956-57 production, when the monsoons were normal.

Since sesame seed is largely used for domestic consumption as an edible oil, the possible lower production would necessitate increased imports of edible oil.

Indonesia's Registered Copra Exports

There were no registered exports of copra from Indonesia in December, following the large November shipment of 44,844 tons. It is evident that the November figure included quantities of copra shipped September and October but not recorded until November.

Registered exports of copra for calendar 1962 totaled 106,964 long tons, down 54 percent from the previous year. The major countries of consignment were Malaya-Singapore, Mainland China, the USSR, and the United States. The reported shipments to the United States and to the United Kingdom were likely diverted and reconsigned elsewhere in Asia or Europe, since neither country recorded any copra shipments from Indonesia.

Registered shipments of copra in January 1963 totaled 2,986 tons, up slightly from the 2,303 tons shipped in January 1962.

INDONESIA: REGISTERED EXPORTS OF COPRA, ANNUAL 1960-1962 [1]

Continent and country of destination	1960 [2]	1961 [2]	1962 [2]
North America:	*Long tons*	*Long tons*	*Long tons*
United States	27,677	71,176	16,309
Total	27,677	71,176	16,309
Europe:			
Germany, West	6,459	8,039	8,088
Yugoslavia	—	—	3,000
Poland	—	—	2,000
Sweden	—	2,000	—
United Kingdom	49,365	12,905	—
USSR	—	14,999	10,705
Total	55,824	37,943	23,793
Asia:			
China, Mainland	—	10,113	13,738
Japan	—	5,734	11,236
Penang	31,575	34,258	17,871
Singapore	48,729	71,876	24,017
Total	80,304	121,981	66,862
Grand total	163,805	231,100	106,964

[1] Net weight. [2] Preliminary.
Compiled from official sources.

Suez Canal Shipments in April Down Slightly

The volume of oil-bearing material shipments northbound through the Suez Canal in April was 2 percent below that of March (*Foreign Agriculture,* May 27, 1963) but over one-fourth larger than in April 1962.

Total shipments in October-April of the current U.S. marketing year were 13 percent greater than shipments during the comparable period a year ago. Of continued significance were the increases registered in shipments of cottonseed, largely from the Sudan, of castor beans, largely from Thailand; and of peanuts, believed to have originated mainly in India. These more than offset the declines registered in soybean, palm kernel, and flaxseed shipments.

OIL-BEARING MATERIALS: SUEZ CANAL, NORTHBOUND SHIPMENTS BY KIND, APRIL 1963, WITH COMPARISONS

Item	April		October-April	
	1962	1963	1961-62	1962-63
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	6,300	15,406	142,394	51,886
Copra	39,460	83,503	361,557	442,228
Peanuts	22,369	18,779	124,958	181,578
Cottonseed	18,682	15,196	75,917	142,847
Flaxseed [2]	2,951	1,965	25,589	22,724
Castor beans	3,695	3,666	20,476	32,934
Palm kernels	2,098	1,672	20,981	17,054
Other	23,266	10,422	98,938	94,806
Total	118,821	150,609	870,810	986,057

[1] 1 metric ton of soybeans equals 36.743333 bushels.
[2] 1 metric ton of flaxseed equals 39.367857 bushels.
Suez Canal Authority, Cairo, Egypt.

The sharp decline in the volume of soybean shipments during the first 7 months of the current marketing year continues to reflect relatively small export availabilities from Mainland China and their probable diversion to the Japanese market.

SOYBEANS: NORTHBOUND SHIPMENTS THROUGH THE SUEZ CANAL, APRIL, MAY, JUNE AND QUARTERLY TOTALS, 1958-62

Month and quarter	Year beginning October 1				
	1958	1959	1960	1961	1962
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
April	2,756	4,556	441	231	566
May	2,792	2,866	184	6	—
June	4,152	1,213	588	2	—
Oct.-Dec.	4,189	8,598	919	919	12
Jan.-Mar.	10,435	13,999	6,062	4,082	1,328
April-June	9,700	8,635	1,213	239	—
July-Sept.	5,879	2,756	2,756	327	—
Oct.-Sept.	30,203	33,988	10,950	5,567	—

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Indonesia's Palm Oil/Kernel Exports

Registered exports from Indonesia of both palm oil and palm kernels rose in December. Total exports for the calendar year, however, were down 15 and 5 percent respectively.

Registered exports of palm oil in December 1962, at 15,517 short tons, were considerably more than the 8,385 tons shipped in November and the 8,716 shipped in De-

cember 1961. Exports of palm oil for the full year totaled 110,608 tons—15 percent below the 129,683-ton volume shipped during calendar 1961. Exports in January 1963 amounted to 8,316 tons, compared with 7,493 tons in January 1962.

Palm kernel exports increased to 3,700 tons in December from 3,420 tons the month before; exports in December 1961 had been 3,026 tons. Total exports for 1962 were 34,268 tons, compared with 35,967 shipped during 1961. Exports in January 1963 totaled 3,542 tons against 1,877 tons in January 1962.

Philippines Export More Copra/Coconut Oil

Recorded copra and coconut oil exports of the Philippines in January-May 1963, as compiled from monthly data on registered shipments, totaled 320,869 and 74,565 long tons, respectively.

Exports in the comparable period of 1962 amounted to 267,424 tons for copra and 36,345 tons for coconut oil. The combined exports of copra and coconut oil for the first 5 months of 1963, on an oil equivalent basis, amounted to 276,712 tons, compared with 204,822 tons in the same period of 1962, an increase of 35 percent.

North Borneo Copra Trade

Copra exports from North Borneo totaled $44,694 long tons in 1962—less than two-thirds of the volume shipped in 1961 and less than four-fifths of the 56,943-ton volume shipped in 1955-59. Net exports of copra, at 16,326 tons, declined 13 percent from the previous year. Although North Borneo is a relatively small world supplier of copra, it is of some significance in world trade as a trading center for appreciable quantities of unrecorded copra coming from Indonesia and the Philippines.

North Borneo's total exports of copra are influenced very largely by re-export of copra brought in through barter trade with the southernmost Philippine Islands, Celebes, and Indonesian Borneo. Domestically produced copra, however, is increasingly contributing to exports—accounting for 23 percent of total exports in 1959 and 36 percent of total exports in 1962.

The quantity of copra imported for re-export declined in 1962 by 42 percent from the previous year, and by 34 percent from the 1955-59 average of 42,847 tons. This decline was largely the result of the sharp cut in copra coming from the Philippines. The cut was due mainly to the Philippine import and foreign exchange "decontrol" in January 1962, which brought devaluation to the Philippine peso, and to further measures to tighten export controls, particularly in the southern islands. There were no legal barter shipments from Sulu Province last year. Because of the increased domestic prices and the lower prices obtained at barter points, illegal barter shipments probably became less profitable than previously.

As long as currency restrictions and unrealistic rates of exchange are maintained in nearby countries, the copra barter trade is expected to continue and may likely expand. Even under free trade and no currency restrictions there is a natural trading orbit between the established barter trade ports of North Borneo and parts of both Indonesia and the Philippines, so that a certain amount of trade would be maintained. The North Borneo Government considers barter trade to be entirely legitimate as long as both imports and exports are declared.

Most of the copra imports from the two principle suppliers are smuggled out of the respective countries. The imports are declared to enable the legal export of manufacturers and consumer goods which are then smuggled back into the respective countries. Undeclared copra imports are negligible and come primarily across the land border with Indonesian Borneo.

NORTH BORNEO: EXPORTS, IMPORTS, AND NET EXPORTS OF COPRA, ANNUAL 1959-1962

Continent and country	1959	1960	1961	1962 [1]
EXPORTS	*Long tons*	*Long tons*	*Long tons*	*Long tons*
North and South America:				
United States	5,300	—	—	—
Other	3,450	9,200	14,472	3,500
Total	8,750	9,200	14,472	3,500
Western Europe:				
Belgium-Luxembourg	—	—	600	—
Denmark	900	350	600	—
Finland	—	—	—	—
France	1,375	100	400	—
Germany, West	1,775	1,775	1,825	100
Italy	5,225	6,525	1,850	3,015
Netherlands	5,800	2,520	8,560	525
Norway	—	—	—	—
Spain	1,220	2,250	1,600	1,230
Sweden	—	500	500	—
United Kingdom	6,570	3,960	6,600	2,350
Other	—	300	—	150
Total	22,865	17,680	22,535	7,370
Asia:				
China and Macao	1,700	2,350	3,285	675
India and Pakistan	864	—	—	1,280
Japan	23,798	49,725	26,350	30,317
Malaya-Singapore	1,444	721	1,220	1,442
Other	—	—	—	110
Total	27,806	52,796	30,855	33,824
Grand total	59,421	79,676	67,862	44,694
IMPORTS				
Indonesia	13,833	25,674	20,050	15,150
Philippines	31,931	38,791	29,120	13,218
Total	45,764	64,465	49,170	28,368
NET EXPORTS	13,657	15,211	18,692	16,326

[1] Preliminary.
Compiled from official sources.

Angola's Palm Product Exports

Palm oil exports from Angola in 1962 rose 3 percent to 16,630 short tons from the 16,139 exported the year before. Palm kernel exports in 1962 amounted to 12,798 tons, compared with 11,259 in 1961—an increase of 14 percent. Palm kernel oil exports, at 2,889 tons, declined 22 percent from the 3,693 tons exported in 1961.

Argentine Oilseed Estimates Revised

Argentina's 1962-63 flaxseed crop, according to the third official estimate, is placed at 33,014,000 bushels. This is only 1 percent above the second estimate (*World Agricultural Production and Trade,* February 28, 1963) but nearly 3 percent above last year's outturn.

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The second official estimate of the 1962-63 sunflowerseed crop is 518,100 short tons, down 15 percent from the first estimate and 45 percent from the record quantity of 948,000 tons produced in 1961-62. The bulk of this decline reflects a reduction in planted area; however, yields are estimated substantially below those of last year.

The 1962-63 Argentine tung nut crop harvested largely during March-May, according to the second official estimate, is placed at 119,200 short tons, up 4 percent from the estimate of 116,800 tons and down 1 percent from the 1961-62 crop of 120,200 tons.

U.S. Cotton Linters Exports Larger

U.S. exports of cotton linters, mostly chemical qualities, totaled 253,000 running bales during the first three quarters (August-April) of the current season. This was 28 percent above the 198,000 bales shipped in the same months a year earlier. Exports in April amounted to 37,000 bales, compared with 37,000 in the preceding month and 22,000 in April 1962.

Exports to principal destinations from August 1962 through April 1963, with comparable 1961-62 figures in parentheses, were: West Germany 117,000 bales (102,000); Japan 76,000 (44,000); United Kingdom 26,000 (26,000); Canada 16,000 (12,000); Netherlands 7,000 (2,000); East Germany 3,000 (0); France 3,000 (9,000); and Australia 2,000 (1,000).

Canada Uses Less Cotton in 1963

Canadian mills consumed 35,077 bales (500 pounds gross) of cotton in May, based on the number of bales opened by mills, compared with 34,000 bales in April and 36,720 in May of 1962.

Consumption during the first 10 months (August-May) of the current season amounted to 331,564 bales. This is slightly below the 345,043 bales used in the same period of 1961-62. However, it is well above the average consumption of 302,492 bales in the first 10 months of the past 5 crop years.

WORLD CROPS AND MARKETS

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14 Suez Canal Shipments in April Down Slightly
14 Indonesia's Palm Oil/Kernel Exports
15 Philippines Export More Copra/Coconut Oil
15 North Borneo Copra Trade
15 Angola's Palm Product Exports
15 Argentine Oilseed Estimates Revised

Fruits, Vegetables, and Nuts

12 Morocco's Almond Harvest Average
12 Smaller 1963 Brazil Nut Harvest Expected
12 Large Spanish Almond Harvest Predicted

Grains, Feeds, Pulses, and Seeds

10 Record U.S. Wheat/Flour Exports in April
10 Australia Sells Communist China More Wheat
11 El Salvador Increases Wheat Flour Taxes
11 U.S. Feed Grain Exports Still High

Livestock and Meat Products

13 Canadian Hogs Too Fat
13 France Announces Purchase Levels for Beef
13 Venezuela Expands Livestock Industry
13 Oceania To Balance Meat Exports to U.S.
13 Ireland Setting Up Meat Packing Plants
13 Chile Takes Steps To Increase Cattle Numbers

Sugar, Fibers, and Tropical Products

10 Cocoa Producers Alliance Meets
10 Uganda's Coffee Earnings Up

Tobacco

11 West Berlin's Cigarette Output Up
11 French Output of Tobacco Products Rises
11 U.S. Tobacco Imports, First Quarter